

MEET AR, YOUR NEW SHOPPER

During the pandemic, more brands are taking to technology to offer greater choice and speed up purchase decisions

Preeti Zachariah
preeti.z@htlive.com

The timing was right," says Meghna Saraogi, the co-founder and CEO of StyleDotMe, an augmented reality (AR) SaaS company whose AR tech platform, mirrAR, helps shoppers try on jewellery virtually. The software—launched in 2017 as an in-store solution for inventory management—came up with a web version in January 2020. Less than three months later, the country went into lockdown. "Stores were shut and the only brands that could connect with customers were those that had an online presence," she says. Even initially hesitant jewellers began reaching out to Saraogi, asking her to integrate AR into their websites, enabling their customers to try on jewellery online.

Today, she says, mirrAR supports 250-odd brands, including Tanishq, PC Jeweller and Kalyan Jewellers. "On average, they (via mirrAR) have been able to reduce return rate by 32% and ensure sales conversion by 37%," says Saraogi, adding that engagement on digital platforms has risen exponentially for most of these companies. "AR adaptation has rapidly grown since the pandemic."

The pandemic has certainly helped speed up the pace of adoption, notes Bengaluru-based management consultant and digital, AI and Big Data expert Paul Mathew. Market research and data analytics firm YouGov notes that the most significant jump in online penetration for discretionary items can be seen in the clothing category, up from 34% pre-pandemic to 45%; nearly 67% of Indians showed interest in adopting AR/VR solutions for clothes.

At present, however, AR works better for some items than others—say, make-up—and its main use seems to be to help people narrow down choices and compress purchase times. The economics of the exercise are still unclear. Retailers, even those who have invested heavily in installing AR (the development cost could range from ₹5,000-300,000, or around ₹3.7 lakh to ₹2.2 crore), are unable to clearly state the impact on conversion rate and sales. But there is some impact, and they believe it will only grow as the technology improves further.

AR, as the name suggests, involves enhancing a user's physical world with computer-generated inputs, using a device like a smartphone camera, a web camera or smart glasses. The first commercial use of AR, technology developed in 1968 at Harvard in the US, was in 2008, as part of a marketing campaign for BMW Mini. Over time, global brands, including Nike, Macy's and Michael Kors, experi-



AR involves enhancing a user's physical world with computer-generated inputs.

ISTOCKPHOTO

mented with it. In India, too, brands like Lenskart and CaratLane allowed customers to try on their products virtually. Dharmadaran Subramanian, general manager, Takeleap, a technology media company with offices in Chennai, Delhi and Dubai, estimates that AR-driven conversion could now be anywhere between 20-30%.

Several international and Indian brands are launching or expanding their AR technology and use. In July 2020, for instance, Gucci partnered with Snapchat, using its AR try-on lens for sneakers. And in May this year, Walmart announced it was acquiring Israeli startup Zeekit, which had developed a dynamic virtual fitting room.

Closer home, the Flipkart Group acquired a 100% stake in Bengaluru-based AR startup Scaptic in November. According to Raghu Krishnananda, chief technology officer, Myntra, the company is already in talks with the Scaptic team about its 3D modelling capabilities. "We are experimenting with AR/VR technology to build virtual try-on capabilities for apparel and beauty products and provide an immersive experience for users," he says, adding that this will become an important part of customer experience and convenience in the future.

Beauty-tech retailer Boddess, which launched in the thick of the pandemic, has also invested in its own in-house proprietary AR/VR products. These came in useful during the pandemic. "Customers can make informed product decisions without going into stores," says Ritika Sharma, founder and CEO of Boddess. It helps that virtual make-up trials work well, as Subramanian points out: The dynamic light setting in AR apps can blend the colour and texture to suit real-world lighting

conditions. Dyuti Waghay, co-founder and partner of LipHue, a Hyderabad-based custom-lipstick brand, agrees. When LipHue opened in 2019, it offered a two-step in-store experience to create customised lipsticks. After the first lockdown last year, however, LipHue began deploying AR online. "We saw a lot of direct conversions where people tried and bought the lipstick off our website," she says, adding that sales have gone up considerably since. Around 70% of sales are now online, she says.

Despite the interest consumers have shown in adopting AR/VR for clothes, the reality is that the technology may need some time to catch up. "While it may be easy to imagine the benefits of virtual try-on for fashion, accurate fit and complex features, like the drape of varied fabrics, can be particularly difficult to render effectively right now," says a January 2020 paper published by the global consulting firm Deloitte. Also, body shapes vary considerably. As a result, it may be hard to get a perfect or even good-enough approximation of a customer's body without an actual trial. Or at least very accurate

measurements. "For a general fitting, the image-processing algorithms interfaced by the camera can calculate," says Mathew. "However, with exact-fitting clothes like innerwear, for instance, it is best to measure manually."

A store visit can be critical to customer decisions for other products too. For instance, when Gurugram, Haryana-based PR consultant Mansi Sangal wanted to pick up spectacles last year, she started by shortlisting a few styles on Lenskart. "It helped me get an idea of what shape would suit my face," she says—but she went to the shop for the actual purchase. Since she didn't want to touch or try on too many things at the store, she ended up looking at pieces she had already tried on using AR and finally picked one of them. "Seeing it in person helped me validate the choice a little more," she says.

The need to confirm one's choice in-store is especially marked for luxury products, where "the experience of touching and feeling an exquisite design is paramount to the purchasing decision", as Mathew points out. What would work best for luxury in general, he believes, is a hybrid model—shortlisting something at home and heading to the store for the final decision. "An AR/AI intervention may enhance the selection and trial process."

Take, for instance, jewellery, a potentially big-ticket purchase. People may ultimately prefer to use AR to select items, walking in to the store for the purchase, says Saraogi. Not only will this speed up the purchase decision, it can also offer access to more inventory.

"AR generates far more leads," she says. "And this is something that will only grow."

At present, AR works better for some items than others—and its main use seems to be to help people narrow down choices and compress purchase times